



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 25, 2002

### **S. 2711** **Indian Programs Reauthorization and Technical** **Amendments Act of 2002**

*As reported by the Senate Committee on Indian Affairs on August 28, 2002*

#### **SUMMARY**

S. 2711 would authorize appropriations for the Indian Health Service (IHS) and several other Indian programs. CBO estimates that implementing S. 2711 would cost about \$2.2 billion in fiscal year 2003 and about \$11.9 billion over the 2003-2007 period, assuming the appropriation of the necessary amounts. Nearly all of this cost would be for reauthorizing IHS programs.

S. 2711 also would waive the repayment of expert assistance loans to the Pueblo of Santo Domingo. Currently, the tribe owes the Department of the Interior \$230,000 in principal and interest on loans provided to pay the expenses of expert witnesses in the tribe's claims against the federal government. CBO estimates that enacting this provision would increase direct spending by \$230,000 in fiscal year 2003.

S. 2711 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit these governments, particularly Indian tribes, because it would authorize grant funds.

S. 2711 contains a private-sector mandate as defined in UMRA. CBO expects that the direct cost of the mandate would be below the annual threshold established by UMRA (\$115 million in 2002, adjusted annually for inflation).

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 2711 is shown in the following table. The cost of this legislation would fall within budget functions 300 (natural resources and environment),

450 (community and regional development), 500 (education, training, employment, and social services), 550 (health), and 800 (general government).

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION <sup>a</sup></b>					
Indian Health Care Improvement					
Estimated Authorization Level	2,834	2,906	2,980	3,054	0
Estimated Outlays	2,139	2,590	2,872	2,982	713
Native American Programs					
Estimated Authorization Level	57	57	58	60	0
Estimated Outlays	6	41	52	56	53
Indian Alcohol and Substance Abuse					
Estimated Authorization Level	47	47	47	47	0
Estimated Outlays	37	47	47	47	10
Indian Child Protection and Family Violence Prevention					
Specified Authorization Level	43	43	43	43	0
Estimated Outlays	34	43	43	43	9
Navajo-Hopi Land Settlement Act					
Estimated Authorization Level	10	10	10	11	0
Estimated Outlays	6	9	10	11	4
Native Hawaiian Health Care Improvements					
Estimated Authorization Level	7	7	7	8	0
Estimated Outlays	4	7	7	7	3
Quinault Indian Nation Water Feasibility Study					
Estimated Authorization Level	1	0	0	0	0
Estimated Outlays	1	0	0	0	0
Total Changes					
Estimated Authorization Level	2,999	3,070	3,145	3,223	0
Estimated Outlays	2,227	2,737	3,031	3,146	792

a. Enacting S. 2711 also would increase direct spending by \$230,000 in 2003.

## **BASIS OF ESTIMATE**

For the purposes of this estimate, CBO assumes that S. 2711 will be enacted by the end of calendar year 2002 and that the necessary amounts will be appropriated for each fiscal year.

### **Spending Subject to Appropriation**

CBO estimates that implementing S. 2711 would cost about \$11.9 billion over the 2003-2007 period to operate programs that would be reauthorized under the bill.

**Indian Health Care Improvement.** Section 103 of the bill would authorize the appropriation of funds through 2006 for the Indian Health Service. Assuming appropriation of the necessary amounts, CBO estimates that this provision would cost \$2.1 billion in 2003 and \$11.3 billion over the 2003-2007 period. This estimate assumes that appropriations for 2003 through 2006 would equal the amounts appropriated for 2002 adjusted for anticipated inflation. (The 2002 appropriation was \$2.5 billion.) CBO's estimate of spending is based on historical spending patterns for the IHS.

**Native American Programs.** Section 106 would reauthorize four programs currently authorized by the Native American Programs Act of 1974. CBO estimates that section 106 would authorize an appropriation of \$57 million in 2003 and \$232 million over the 2003-2006 period. If the necessary amounts are appropriated, resulting outlays would be \$6 million in 2003 and \$207 million over the 2003-2007 period.

*Native American Environmental Quality Program.* S. 2711 would reauthorize the Native American Environmental Quality program for \$8 million per year through 2006. The program was funded at \$3 million in 2002. The Native American Environmental Quality program provides funds to tribes for planning, developing, and implementing programs that would improve tribes' ability to regulate environmental quality on Indian lands.

*Administration for Native Americans (ANA).* The bill would reauthorize ANA at such sums as may be necessary through 2006. Funding in 2002 was \$44.9 million. ANA provides grants to tribal organizations to develop local strategies for economic and social development.

*Native American Language Grants.* S. 2711 would reauthorize the Native American Language Grants program for such sums as may be necessary through 2006. The program was funded at \$2 million in 2002. The Native American Language Grants program provides grants for a variety of activities that help preserve Native American languages.

*Native Hawaiian Loan Fund.* The bill would reauthorize the Native Hawaiian revolving loan fund for \$1 million per year through 2006. The program was funded at \$1 million in 2002.

The program provides a grant to the state of Hawaii for the state to make loans to Native Hawaiian organizations and Native Hawaiian individuals to promote economic development in the state.

**Indian Alcohol and Substance Abuse Prevention.** Section 104 would authorize the appropriation of such sums as are necessary through 2006 for the Bureau of Indian Affairs to provide assistance to Indian tribes to prevent alcohol and other substance abuse. Such programs would include law enforcement and judicial training, emergency shelters for youth, and juvenile detention centers. Based on the level of funding previously authorized for such programs, and information from the Bureau of Indian Affairs regarding demand for the various programs under this section, CBO estimates that implementing section 104 would cost \$37 million in fiscal year 2003 and \$188 million over the 2003-2007 period.

**Indian Child Protection and Family Violence Prevention.** Section 105 would authorize the appropriation of \$43 million each year through 2006 for certain programs authorized under the Indian Child Protection and Family Violence Prevention Act. Assuming the appropriation of the specified amounts, CBO estimate that implementing this provision would cost \$39 million in fiscal year 2003 and \$172 million over the 2003-2007 period to operate such programs.

**Navajo-Hopi Land Settlement.** Section 102 would authorize the appropriation of funds through 2006 for Navajo and Hopi Indian relocation housing. Assuming the appropriation of the necessary amounts, CBO estimates that this provision would cost \$40 million over the 2003-2007 period. This estimate is based on historical spending patterns for relocation housing and assumes that the appropriations for 2003 through 2006 would equal the amount appropriated for fiscal year 2002 (\$10 million), adjusted for anticipated inflation.

**Native Hawaiian Health Care Improvements.** Section 107 would authorize the appropriation of such sums as necessary for the extension of activities under the Native Hawaiian Health Care Program, funded from within the Health Resources and Services Administration's Consolidated Health Center Program, through 2006. These activities include providing health care at Native Hawaiian health centers and through health systems, and granting scholarships to students dedicated to providing health care to Native Hawaiians. Assuming the appropriation of the necessary amounts, CBO estimates that implementing this provision would cost about \$4 million in 2003 and \$29 million over the 2003-2007 period.

**Quinault Indian Nation Water Feasibility Study.** Section 209 would authorize the Secretary of the Interior to conduct a feasibility study on current and future domestic and commercial water supply needs of the Quinault Indian Nation. Based on information from the Bureau of Reclamation, CBO estimates that the study would cost about \$1 million in fiscal year 2003, assuming the appropriation of the necessary amount in that year.

## **Direct Spending**

Section 210 would waive the repayment of expert assistance loans to the Pueblo of Santo Domingo. Currently, the tribe owes the Department of the Interior \$230,000 in principal and interest on loans provided to pay the expenses of expert witnesses in the tribe's claims against the federal government. CBO estimates that enacting this provision would increase direct spending by \$230,000 in fiscal year 2003.

## **IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

S. 2711 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. A number of the authorizations that would be extended by this bill provide grant and contract funds for these governments. Tribal governments also would benefit from various other provisions in the bill amending laws that pertain to particular tribes or Native American programs.

## **IMPACT ON THE PRIVATE SECTOR**

S. 2711 contains a private-sector mandate as defined by UMRA. The bill would prohibit anyone from condemning certain land owned in fee by the Pechanga Band until the Secretary of the Interior renders a final decision on the Band's pending application to transfer that land into trust, and final decisions have been made regarding all appeals relating to that application.

In March 2002 the Secretary decided to take that land into trust, however, the Sempra Energy company has appealed that decision. According to several sources, the only entity that may be interested in filing for condemnation of the parcel is San Diego Gas and Electric (SDG&E), a subsidiary of Sempra Energy. The property is one of several that the company would like to consider for placement of a new transmission line. The costs of the mandate, if any, would be the expected incremental costs to SDG&E of choosing among the several remaining alternative properties to construct transmission lines. CBO expects that the direct cost of the mandate would be below the annual threshold for private-sector mandates established by UMRA (\$115 million in 2002, adjusted annually for inflation).

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